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ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

2010 AUG 30 P 3:28

Investigator: Jenny Gomez

Phone: (

Fax:

Priority: Respond Within Five Days

AZ CORP COMMISSION
DOCKET CONTROL

Opinion No. 2010 - 88851

Date: 8/26/2010

Complaint Description: 19L misc line siting
N/A Not Applicable

Arizona Corporation Commission

DOCKETED

AUG 30 2010

Complaint By: First: Gail

Last:

Getzwiller

Account Name: Gail Getzwiller

Home:

Street:

Work:

City: Sonoita

CBR:

State: AZ Zip: 85637

is: E-Mail

Utility Company: Sulphur Springs Valley Electric Cooperative, Inc.

Division: Electric

Contact Name:

Contact Phone:

Nature of Complaint:

*****DOCKET NO. E-01575A-08-0328 AND E-01575A-09-0435*****
REFERENCE: Sulphur Springs Valley Electric Cooperative, Inc.

Sulphur Springs Valley Electric, Inc.
Docket E-01575A-08-0328 and E-01575A-09-0435
Gail Getzwiller

Sonoita, AZ 8/5637
Docket E-01575A-08-0328 and E-01575A-09-0435
Madam Chairman and Commissioners

I am submitting this letter to you to bring to your attention the fact the that it appears from the Wildcat-Hardshell Mine Reports on their website www.wildcatsilver.com (and local presentations by Wildcat CEO); that SSVEC could provide power in the future to the Hardshell Mining Project. This issue is mentioned in the Intervenor's Reply letter of August 20, 2010.

In the 2007 report Wildcat sights UNS Electricity (a subsidiary of UniSource Energy Services and UniSource Energy, Inc, the owner also of Tucson Electric Power, in the 2008 report they drop the "UniSource" name. In 2010 Sulphur Springs Valley Electric is named as a possible power source. Clearly the powerline is from Sonoita-Elgin and to the east, has been in their reports since the beginning. Quotes from these 3 reports about power supply are as follows (available on Wildcat website) (<http://www.wildcatsilver.com/section.asp?catid=942>): Click here

<<http://www.wildcatsilver.com/upload/reports/TechRpt-Final2-26-10.pdf>> to view Pincock Allen & Holt's Technical Report of the Exploration Progress dated February 26, 2010 A limited distribution 13.2 kV C-8203 feeder line that is over 100 miles in length, owned by UNS Electric, starts at the UNS Electric Cañez substation in North Rio Roco and along the Santa Cruz River, Sonoita Creek and mountainous route to Patagonia, then it follows Harshaw Creek from west of Patagonia to Harshaw and through the San Rafael Valley and on to Mexico. In this rate case, the C-8203 feeder was determined by the Commission to have the poorest reliability of any distribution lines owned by UNS Electric in both Santa Cruz and Mohave Counties. The Engineering report

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stated:

Cañez Feeder C-8203 serving N. Pendleton Dr (Santa Cruz County) is a very long (approximately 100 miles) 13 kV distribution feeder serving residential and light commercial load in a partially mountainous area between Tucson and Nogales and east of Interstate 19. Staff inspected portions of the feeder... Since the area has topography which tends to make it subject to summer thunderstorms with resultant lightening and wind impacts and the overhead line exposure is high (about 50 percent of the 100 mile line is overhead), the feeder will likely remain as one which will require continued attention in the future. Staff was concerned that voltage degradation might be a problem at some locations on this feeder due to its long length." (ACC Docket No. E-04204A-06-0783, Engineering Report of 26 Feb 2007, pages 26-29)

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This line presently is overloaded and has a much worse track record than the existing SSVEC V-7 feeder where a 69 kV line is being requested. Many complaints about this line have been submitted to the Commission concerning long outages, low voltage and dozens of outages every year.

The UNS Electric service in Santa Cruz County operates its peaker turbines many hours every summer until the new 138 kV transmission line upgrades including a northern terminal that changes transmission from WAPA's 115 kV lines to TEP's 138 kV lines at the Vail Substation and continuing south 60 miles to Nogales. This line upgrade was approved in Case No. 144, with completion estimated in 2014. No work has started on this transmission line.

It is clear UNS Electric does NOT have the present or future planned capabilities to serve more customers on the existing Canez C-8203 13.2 kV distribution feeder line and is woefully inadequate to serve the Wildcat Mine. In fact, UNS Electric has requested information from its customers on that line about their electric generators so as to provide additional distributed power to achieve the additional capacity from its present customers to support a new Wildcat-installed tool shed that needed electricity.

Presently, the next closest power would come from the SSVEC 24.9 kV capacity distribution V-7 feeder line that traverses from Mustang Corner on SR90 in Cochise County, via Sonoita-Elgin communities to Patagonia. The segment from SR90 to Sonoita is proposed to be upgraded from 24.9 kV to 69 kV to meet the 2029 needs for these communities. Continuing this 69 kV to the Wildcat Mine is our concern.

There also is a major regional transmission natural gas pipeline (El Paso Natural Gas) that is distributed by UNS Gas in the Sonoita Valley and Patagonia. A trunk phone line (Qwest) follows the Harshaw Creek Road with phone service available in Harshaw. Cell phone service is usually good in the Sonoita and Patagonia Harshaw area. 2008 Report stated: "A major power line, with reported excess capacity, follows Harshaw Creek from Mexico [no lines are from Mexico only UNS Electric's to Mexico] to Patagonia [SSVEC serves Patagonia]. Higher capacity [13.2 kV distribution UNS Electric] powerlines traverse the Sonoita Creek Valley from Nogales to [south of] Patagonia, Sonoita-Elgin [UNS Electric does not serve Sonoita-Elgin, only SSVEC] and to the east as does a major natural gas pipeline." 2007 Report stated:

"A major [13.2 kV distribution] power line, owned by Unisource Energy Services [UNS Electric], follows Harshaw Creek from west of Patagonia through the San Rafael Valley to Mexico. Higher capacity [24.9 kV SSVEC distribution] power lines traverse the Sonoita Creek Valley from Nogales [wrong, not from Nogales]

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to Patagonia, Sonoita-Elgin and to the east....." Though SSVEC denies vehemently that SSVEC has no intention of supplying the "Wildcat Mine- Hardshell Project" with power, it is obvious that the "V7 feeder area" only needs 2,000kW of new power by the year 2029, 20 years from now. (statistics from the SSVEC/ Navigant "Independent Study") I/We plead with you, our voted Corporation Commissioners, put in place to protect us from Utilities that abuse their power and propose to charge excessive rates. SSVEC is proposing a \$14,000,000 Power Line that will provide more power than this community will "EVER" use. The SSVEC words and testimony to the contrary are empty and misleading. Please protect the Cooperator/Ratepayers of SSVEC from the unnecessary high rates that will come if this line is installed. Rumor has it that SSVEC is in financial trouble and needs this construction project so they will not have to lay off employees as they have not met their power sales revenue requirements for several years according to their financial reports. From the Wildcat mine website - there is substantial evidence that something is going on, in addition to Steve Getzwiller's letter in the Docket dated July 28, 2010 that the Wildcat Mine's CEO admitted that written communications has occurred between Wildcat and SSVEC on the subject of furnishing power. I would like to request a full review of SSVEC actions in

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this matter to reveal what is really going on. Are they in financial trouble? Why are they resistant to lower cost alternatives solutions to the V7 area? Will upgrading local feeder lines and infrastructure solve more outage problems than a new line? Paul Beck from Elite Energy traveled from California to testify at the July 29, 2010 Open Hearing to explain their proposal (in the Docket \$4million solution) to install natural gas generators in the V7 area, to incrementally solve the V7 Feeder load problems at a low cost while increasing capacity on an as needed basis (allowing for Renewable Options and Locally Distributed Energy). The Elite Energy Solution would be fiscally sensitive to the Ratepayers and Cooperative, allowing financing time for growth as needed, and is a valid solution for the V-7 feeder issues. Sulphur Springs Valley Electric is not focused on its fiduciary responsibilities to its Cooperator/Ratepayers and shareholders. I/we, the ratepayers of SSVEC and taxpayers of Arizona need your help, for a solid financial future.

Please help us now!

Sulphur Springs Valley Electric, Inc.

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Could you appoint an investigating officer (or equivalent) to review and report back to the Commission on the

- (1) Status of how the Wildcat Mine will be served,
- (2) Alternatives re-submitted on August 20, 2010 by the Intevenors, and
- (3) Financial "profit/loss" situation for SSVEC members and shareholders. Thank you so much for your kind consideration. Gail Getzwiler

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

8/26/10 Noted and file in Docket Control for the record.

FILE CLOSED

End of Comments

Date Completed: 8/26/2010

Opinion No. 2010 - 88851
